

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re	:	
	:	<b>Chapter 11</b>
SEARS HOLDINGS CORPORATION, <i>et al.</i> ,	:	
	:	<b>Case No. 18-23538 (SHL)</b>
	:	
Debtors. <sup>1</sup>	:	<b>(Jointly Administered)</b>
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**FORTY-NINTH MONTHLY FEE STATEMENT OF M-III ADVISORY PARTNERS, LP  
FOR COMPENSATION EARNED AND EXPENSES INCURRED  
FOR PERIOD OF OCTOBER 1, 2022 THROUGH OCTOBER 31, 2022**

1. In accordance with the *Order Authorizing Debtors to Retain M-III Advisory Partners, LP to Provide a Chief Restructuring Officer and Certain Additional Personnel for Debtors Nunc Pro Tunc To Commencement Date* [ECF No. 814] (the “**Retention Order**”),<sup>2</sup> M-III Advisory Partners, LP (“**M-III**”) hereby submits its forty-ninth monthly report (the “**Monthly**”

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Rover Brands Business Unit, LLC (f/k/a Sears Brands Business Unit Corporation) (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors’ corporate headquarters is c/o M-III Partners, LP, 1700 Broadway, 19<sup>th</sup> Floor, New York, NY 10019.

<sup>2</sup> Capitalized terms not otherwise herein defined shall have the meanings ascribed to such terms in the Retention Order.

**Report**”) on compensation earned and expenses incurred for the period commencing on October 1, 2022 through and including October 31, 2022 (the “**Reporting Period**”). During the Reporting Period, M-III incurred total fees and expenses of \$715,302.13, comprised of \$711,485.00 of fees and \$3,817.13 of expenses.

2. During the Reporting Period, M-III provided services central to the Debtors’ restructuring process, including:

- a. Chief Restructuring Officer: Mohsin Y. Meghji in his role as Chief Restructuring Officer, continued to provide day-to-day oversight regarding issues including but not limited to: cash/liquidity management, reviewing the pre-and post-Effective Date matters, and other Chapter 11 and post-Effective Date reporting requirements, as well as supervising all activity by the M-III team.
- b. Business Operations: On an ongoing basis, M-III assisted the Debtors with issues related to operating as a debtor-in-possession operating in chapter 11 including addressing issues related to filings in the state of California and negotiating with one former customer to settle a past due debt owed to the Debtors. M-III also prepared numerous accounts payable requests and maintained reporting for non-real estate accounts payable. M-III also sent creditors payment confirmations. M-III prepared the distribution information for non-claimant creditors to be paid on or around the Effective Date. M-III also reviewed pre-petition and post-petition invoices submitted from various creditors outside of the proofs of claim process to determine if the invoices related to the Debtor or the Buyer and responded to the creditor. M-III also assisted the Debtors in gathering information for Royal Bank of Canada regarding the return of prescribed funds for definitive bond issues, working with various parties to dissolve the SRAC shares and working to assume and assign an executory contract to the Buyer.
- c. Case Administration: On an ongoing basis, M-III advised and assisted the Debtors with respect to internal and external communications planning and documentation. M-III also prepared for and participated in strategic meetings with Debtors’ counsel. M-III also continued to assist the Debtors regarding addressing issues related to the Effective Date. M-III continued to assist the Debtors in revising a Winddown, Administration and Cases Closing Reporting. M-III also continued to assist the Debtors in reviewing and revising work plans for the pre-Effective Date post settlement and post-Effective Date periods. M-III continued to assist the Debtors in preparing an updated presentation to the Bankruptcy Court. M-III continued to assist the Debtors in preparing hard copy documents for storage at Iron Mountain including packing and preparing informational spreadsheets for corporate, environmental, legal, pension, tax and real estate documents. M-III also assisted the Debtors in identifying the hard copy documents to be sent to a third-

party location. M-III attended several calls and responded to various correspondence with the Buyer regarding the hard copy documents and the moving company.

- d. Claims Administration and Objections (Other Than Governmental Units, Real Estate, Priority and Secured Claims): M-III advised and assisted the Debtors with reconciling the Administrative Expense Consent Program Non-Opt-Out Group for administrative claimants that filed an Opt-In Ballot and were not part of the initial, second, third and fourth distribution, filed a Non-Opt-Out Ballot or did not respond to ballot solicitation. This included reconciling the creditors amounts to the company's books and records and negotiating with creditors. M-III also responded to numerous inquiries from creditors regarding the Administrative Expense Consent Program Ballot, the claims reconciliation process and the prior distributions. M-III also continued reviewing Opt-Out Ballots in comparison to the Debtors' books and records. M-III also continued to assist in settlement negotiations with creditors and Debtors' counsel. M-III also continued to prepare distribution information for the fifth and final distribution. M-III also continued to maintain reporting and tracking related to the Administrative Expense Consent Program Ballot and the claims reconciliation process.
- e. Claims Administration and Objections (Governmental Units): M-III advised and assisted the Debtors with reconciling the administrative and priority tax claims related to governmental units. This included reconciling the creditors amounts to the company's books and records and negotiating with creditors. M-III also responded to numerous inquiries from creditors regarding the claim's reconciliation process. M-III also assisted in preparing the distribution information for the Effective Date payments. M-III also continued to maintain reporting and tracking related to the claim's reconciliation process.
- f. Claims Administration and Objections (Priority Non-Tax Claims): M-III advised and assisted the Debtors with reconciling the priority non-tax claims. This included reconciling the claim amounts to the company's books and records and negotiating with creditors. M-III also assisted the Debtors in settlement negotiations with creditors and Debtors' counsel. M-III assisted the Debtors in preparing the distribution information for the severance claims. M-III also continued to maintain reporting and tracking related to the priority non-tax claims reconciliation process.
- g. Claims Administration and Objections (Retiree Claims): M-III assisted the Debtors in preparing the distribution information for the retiree claims. M-III also continued to maintain reporting and tracking related to the claim's reconciliation process.
- h. Corporate Governance and Board Matters: On an ongoing basis, M-III prepared for and participated in meetings of the Restructuring Committee of the Board.

- i. Employee Benefits: M-III continued to prepare for and participate in calls and correspondence related to the Blue Cross Blue Shield (BCBS) potential recovery options regarding the Sears' self-funded medical plan with BCBS.
- j. Employment and Fee Applications: M-III prepared its monthly invoice in compliance with its retention order.
- k. Estate Tracker Reporting: M-III also prepared weekly reports to illustrate cash flows and liquidity as compared to the forecast including related methodologies, as well as cash management planning. M-III continued to revise the draft forecast through year-end. M-III distributed the Estate Tracker Report to the Restructuring Committee and Pre-Effective Date Committee and addressed questions.
- l. Insurance and Damage Claim Processing and Management: On an ongoing basis M-III assisted the Debtors in the pursuit of various damage and insurance claims where the Debtors are the plaintiff. This included managing outside counsel and the collection of settlement proceeds. M-III also assisted the Debtors in managing general liability claims and legal cases where the Debtors are the defendant. M-III also worked with the Debtors' insurance claims processing agent, to manage these claims and cases.
- m. Litigation: M-III also assisted with litigation matters being handled by various Ordinary Course Professionals. M-III also assisted the Debtors reviewing the proposed settlement for the PBGC and Cyrus 507(b) claim.
- n. Liquidating Trust: M-III continued to assist the Debtors in analyzing D&O policy options for the SRZ Liquidating Trust (the "**Trust**"). M-III also assisted the Debtors in reviewing and revising work plans for the pre-Effective Date post settlement and post-Effective Date periods. M-III assisted the Debtors in completing the paperwork required to apply for an EIN and filing the Certificate of Trust with the State of Delaware, reviewing and revising the Trust Agreement, retaining a Resident Trustee, retaining counsel to assist in dissolving the Debtor and non-Debtor entities and other matters related to setting up the Trust.
- o. Meetings and Communications with Creditors: On an ongoing basis, M-III prepared for and participated in meetings and teleconferences with the Official Committee of Unsecured Creditors and their respective advisors.
- p. Meetings and Communications with Restructuring Committee: On an ongoing basis, M-III prepared and participated in meetings and teleconferences with the Debtors' Restructuring Committee.
- q. Meetings and Communications with Pre-Effective Date Committee: On an ongoing basis, M-III prepared and participated in meetings and teleconferences with the Debtors' Pre-Effective Date Committee.

- r. Non-Debtor Entities Remaining with the Debtors: On an ongoing basis, M-III assisted the Debtors with accounting and other matters related to SHC Israel Ltd., Sears Holdings Mauritius Holding Company and Sears Reinsurance Company Ltd.
- s. Ordinary Course Professionals (OCP): On an ongoing basis, M-III assisted the Debtors with reviewing and preparing the OCP invoices for payment in accordance with the OCP Motion, maintaining respective reporting and sent payment confirmations. M-III also continues to work with the Debtors to resolve other legal non-OCP invoices and matters related to the case. M-III also assisted with revising the summary list of OCPs and the services that they provide to the Debtors. M-III assisted the Debtors in reviewing and revising the engagement letter for a law firm to be retained as an OCP and updated the respective OCP reporting. M-III assisted the Debtors in analyzing the pre-and post-petition general liability claims. M-III also assisted the Debtors with quarterly reporting related to the Ordinary Course Professionals.
- t. Preference Analysis: On an ongoing basis, M-III assisted the Debtors in continuing to work with the preference firms to support the preference project across the engaged firms including providing the Debtors' resolution amounts and priority type for numerous proofs of claim, following up with the Debtors on inquiries related to the resolution of preferences and providing supporting documentation. M-III also assisted the Debtors in reviewing the settlement agreements and provided comments where applicable. M-III also assisted the Debtors in updating the Debtors reporting and claims register to reflect proofs of claim that were settled. M-III also assisted the Debtors in reviewing and analyzing the settlement results and cash remittances to the forecast. M-III also assisted the Debtors in monitoring and reporting related to the disputed preference claims. M-III also continued to assist the Debtors in updating the claims register and reporting related to the settled default judgements.
- u. Real Estate – Claims Administration and Objections: On an ongoing basis M-III assisted the Debtors with reviewing and reconciling the administrative and priority claims and ballots related to real estate. M-III also continued to assist in settlement negotiations with creditors and Debtors' counsel including updating the interest from the county websites, phone calls, email correspondence and prepared the distribution information for the administrative and priority claims for the Business Personal Property Taxes. M-III also assisted the Debtors in responding to numerous inquiries from creditors regarding the claim's reconciliation process and payments received. M-III also continued to maintain reporting and tracking related to the real estate claims reconciliation process and payment distributions.
- v. Real Estate – Property Management: On an ongoing basis, M-III assisted the Debtors in the management of its real estate assets and related accounts payable.

- w. Real Estate – Property Taxes Payable by the Estate: On an ongoing basis, M-III assisted the Debtors in analyzing property tax bills presented for payment to determine what amount, if any, is owed by the Debtors or potentially other parties.
- x. Real Estate – Unencumbered Real Estate Sales & Analysis: On an ongoing basis, M-III assisted the Debtors in due diligence, analysis, reporting, marketing, and monetization related to the unencumbered real estate. M-III worked closely with the Debtors to list, market and sell unencumbered assets to a variety of real estate investors. M-III also assisted the Debtors with the analysis of unencumbered properties with a view towards selling these assets in a timely manner for favorable prices.
- y. Reporting: On an ongoing basis, M-III assisted with matters related to the US Trustee, assisted the Debtors with accounting related items including but not limited to, preparing monthly bank reconciliations, reviewing monthly financial statement accounts and monthly reporting for the Post-Confirmation Corporate Quarterly Operating Report and the Post-Confirmation Quarterly Operating Report. M-III also assisted the Debtors in reviewing and revising the information for the fiscal year-end financial statements. M-III also assisted the Debtors in gathering information for the federal tax return, updating professional fee reporting and reviewing and revising the settlement waterfall, and cash flow forecast.
- z. Tax Issues: On an ongoing basis, M-III assisted the Debtors in following up with various states regarding the status of the Sales and Use Tax refunds and state income tax refunds. M-III also assisted the Debtors in gathering information and evaluating potential tax recoveries related to Sales and Use Tax and Payroll Tax. M-III assisted the Debtors in analyzing the tax implications of the Global Settlement. M-III also assisted the Debtors with two officer notices for two former officers with the State of Illinois including reviewing and revising the memo for the protest and request for administrative hearing and coordinating with counsel. M-III also assisted the Debtors with one officer notice with the State of Illinois including coordinating the preparation of a memo to the State of Illinois regarding additional supporting information requested by the State of Illinois and coordinating with counsel. M-III also addressed numerous tax letters and tax liens from various taxing authorities related to pre-petition and post-petition amounts.
- aa. Unclaimed Funds: On an ongoing basis, M-III assisted the Debtors in the unclaimed funds process and followed up with the Debtors on inquiries related to additional information regarding unclaimed funds. M-III also assisted the Debtors by preparing letters to follow-up on reimbursement of outstanding credits to be refunded back to the Debtors. M-III also assisted the Debtors in exploring options to sell the unclaimed funds including discussions with potential interested parties. M-III also assisted the Debtors in reviewing the status of the Illinois unclaimed funds and prepared follow-up correspondence.

3. **Exhibit A** attached hereto includes a summary of fees and expenses and a list of the personnel that provided services to the Debtors during the Reporting Period, their respective titles, their respective billing rates, the aggregate hours spent by each individual, and the total compensation earned by each individual.

4. **Exhibit B** attached hereto is a breakdown of the reasonable expenses incurred by M-III during the Reporting Period.

Dated: November 29, 2022  
New York, New York

By: /s/ Mohsin Y. Meghji  
Mohsin Y. Meghji  
Managing Partner  
M-III Advisory Partners, LP  
1700 Broadway,  
19<sup>th</sup> Floor  
New York, NY 10019

**Exhibit A**



**Case No.: 18-23538 (SHL)**

**Case Name: Sears Holdings Corporation**

**M-III Advisory Partners, LP**

October 1 Through October 31, 2022

**Summary of Compensation Sought for the Reporting Period**

<b>TOTAL HOURS</b>	<b>TOTAL FEES</b>	<b>TOTAL EXPENSES</b>	<b>TOTAL COMPENSATION</b>	<b>MONTHLY COMPENSATION FEES (100%)</b>	<b>MONTHLY COMPENSATION EXPENSES (100%)</b>	<b>TOTAL MONTHLY COMPENSATION</b>
1,065.4	\$711,485.00	\$3,817.13	\$715,302.13	\$711,485.00	\$3,817.13	\$715,302.13

**Case No.: 18-23538 (SHL)**

**Case Name: Sears Holdings Corporation**

**M-III Advisory Partners, LP**

October 1 Through October 31, 2022

**Summary of Hours Billed by Professional**

<b>Employee Name</b>	<b>Title</b>	<b>Total Hours</b>	<b>Rate (a)</b>	<b>Total</b>
Meghji, Mohsin	Managing Partner	16.3	\$1,225	\$19,967.50
Gallagher, William	Managing Director	12.0	\$1,050	12,600.00
Griffith, Brian	Managing Director	71.8	\$1,050	75,390.00
Murphy, William	Senior Director	182.0	\$875	159,250.00
Korycki, Mary	Director	220.9	\$850	187,765.00
Kellner, Richard	Senior Advisor	4.9	\$800	3,920.00
Detrick, Andrew	Vice President	57.0	\$675	38,475.00
Concolino, Antonio	Associate	164.2	\$495	81,279.00
Brunelle, Justin	Analyst	185.1	\$395	73,114.50
Dotson, Kimberly	Analyst	1.2	\$395	474.00
Goldstein, Grant	Analyst	128.7	\$395	50,836.50
Kim, Hugh	Analyst	10.2	\$395	4,029.00
Ramnani, Ravi	Analyst	10.5	\$395	4,147.50
Thomas, Jordaine	Analyst	0.6	\$395	237.00
<b>Total</b>		<b>1,065.4</b>		<b>\$711,485.00</b>

**Note:**

(a) The billing rate reflects M-III Advisory Partners, LP 2022 billing rates. [ECF 9297]

**Exhibit B**

**Case No.: 18-23538 (SHL)**

**Case Name: Sears Holdings Corporation**

**M-III Advisory Partners, LP**

October 1 Through October 31, 2022

**Summary of Necessary Expenses Incurred**

Description	Total
Rental Car	\$1,483.83
Air Travel	896.40
Hotel	760.30
Telephone/Internet	303.24
Meals (Out of Town)	292.86
Taxi/Car Service	224.25
Meals (In Town)	30.00
Tolls	15.80
Miscellaneous	30.00
Total Before Voluntary Reductions	4,036.68
Less: Voluntary Reductions	(219.55)
<b>Total, Net of Voluntary Reductions (a)</b>	<b>\$3,817.13</b>

**Note:**

- (a) Total amounts are based on M-III's expense reporting system as of the date of this Monthly Report and may not be reflective of all expenses incurred during the Reporting Period. As such, future monthly reports may include expenses incurred during the Reporting Period.